

SOUTH MALAYSIA INDUSTRIES BERHAD

196901000152 (8482-D)
(Incorporated in Malaysia)

MINUTES of the 53rd Annual General Meeting of SOUTH MALAYSIA INDUSTRIES BERHAD duly convened and held at Diamond 1, Level 10, Holiday Villa, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor Darul Takzim on Wednesday, the 25th day of June, 2025 at 9:30 a.m.

- PRESENT : As per attendance sheet
- Shareholders : Individuals - 9
By Proxy - 21
(inclusive of Chairman acted for 3 members)
- Directors : 4
- BY INVITATION : Mr Gideon Tan, Messrs Gideon Tan Razali Zaini
Mr. Vincent Chan, Messrs Abdullah Chan & Co
Ms. Chow Lai Wei, Messrs UHY Malaysia PLT
- IN ATTENDANCE : Ms Tan Siew Chin, Company Secretary
Ms Choy Shu Hua, Secretariat, Representative of Tricor Corporate Services Sdn Bhd
- CHAIRMAN : Dato' Dr Abdullah bin Sepien ("the Chairman") was elected to chair today's meeting by the Board. He took the Chair and called the Meeting to order.
- NOTICE : The Notice was taken as read.

The Chairman welcomed the members and attendees to the Company's 53rd Annual General Meeting. The Chairman informed that the registration of proxy was closed. The Chairman informed that the quorum requirement had been met at the start of the meeting and called the meeting to order.

The Chairman disclosed that he was appointed by 4 shareholders representing in total of 17,432,174 shares which is equivalent to 8.299% of the voting rights at this meeting.

Upon the confirmation from the Secretary, the Chairman informed that the proxies representing Velocity Capital Sdn Bhd for Target 1 Sdn Bhd, Honsin Apparel Sdn Bhd and HIQ Media Sdn Bhd (collectively referred to as "the Companies") namely Leong Seng Wui, Lee Boon Siong and Tan Eng Gooi respectively were present at the meeting and they represented 50.05% of the entire shareholding of the Company.

The Chairman informed that the Companies had issued a Notice of Unconditional Mandatory Take-Over Offer at a cash consideration of RM0.45 per share and requested confirmation from the Secretary that the Companies via their proxy forms had directed their proxies to vote against all the Resolutions set out in the agenda.

The Secretary confirmed that the proxy forms had been received on 19 June 2025 and all three shareholders, HIQ Media Sdn Bhd, Honsin Apparel Sdn Bhd and Velocity Capital Sdn Bhd for Target 1 Sdn Bhd had directed their proxies present today to vote against all the Resolutions 1 to 4 as set out in the agenda.

The Secretary also confirmed that, after conferring with the Share Registrar and appointed Scrutineer, SC Lim, Ng and Co that entire shareholding amounts to approximately 50.05% of the entire shareholding of the Company.

1. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Chairman proceeded to the first item on the Agenda which was to receive the Audited Financial Statements for the financial year ended 30 June 2024 together with Reports of Directors and Auditors thereon.

This had been circulated to all shareholders and it was noted that the Audited Financial Statements were meant for discussion only as it did not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act 2016. Therefore, this item was not put forward for voting.

With no members raising questions, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2024 together with the Directors' Report and Auditors' Report thereon were thus taken as received.

The Chairman then informed that as the Companies hold a combined shareholding of approximately 50.05%, the result of the voting was effectively determined. As such, a formal polling process would not serve any practical purpose.

Upon the request from the Chairman, the Secretary informed that the proxies received in total and in support of the Resolutions 1 to 4 represent only 32.02% of the entire shareholding of the Company.

Thus, the Chairman declared the following resolutions were rejected and voted down by the majority shareholders:-

Ordinary Business

1. Resolution 1, to re-appoint Messrs UHY Malaysia PLT as Auditors of the Company.
2. Resolution 2, to approve the payment of Directors' fees and benefits of up to RM350,000 to the Non-Executive Directors of the Company and subsidiaries from the conclusion of this Annual General Meeting until the next Annual General Meeting.
3. Resolution 3, to re-elect Puan Latifah Binti Abdul Latiff, who retires by rotation in accordance with Article 86 of the Company's Constitution.

Special Business

4. Resolution 4, authority to allot and issue new shares in general pursuant to Sections 75 and Section 76 of the Companies Act 2016.

The Chairman reiterated that there was no necessity to hold a formal polling process as the results were inevitable.

The Chairman representing himself, all members and the Board of the Company made the following statement:

"While the outcome is clear, it is deeply regrettable that the Company is now placed in a position where the ordinary businesses at most annual general meetings cannot proceed. The absence of approved auditors, unsettled directors' remuneration, the loss of a valuable director, and non-approval on share issuance. All these businesses at Annual General Meetings ("AGMs") are ordinary and common at AGMs by every public listed company in Malaysia. All these businesses are necessary for the Company's as a going concern.

The Board acknowledged the ongoing Unconditional Mandatory Offer at RM0.45 per share. The Board was also aware of a pending court action (Johor High Court Suit No. JA-22NCC-48-07/2024) filed by a substantial shareholder, alleging market manipulation and price suppression. The suggested share price cited in the Court action ranges between RM1.06 and RM1.50 per share.

While the Board does not take a position on the legal merits which will be determined by the Court, the Board remains guided by their fiduciary responsibility to act in the best interest of all shareholders, particularly the minority shareholders, and to ensure any offer reflects a fair and reasonable value.

Notwithstanding these matters before the Court and interest of minority shareholders and the Company being paramount, it is unfortunate that the three majority shareholders had chosen to vote against the proposed resolutions. Nevertheless, their decision was duly noted, and the Chairman hereby acknowledged that the Resolutions have not been carried and were voted down.”

ADJOURNMENT OF MEETING

There being no further business, and pursuant to the Order of the Kuala Lumpur High Court dated 20 June 2025 in an application brought by Mr Teh Chee Hoe, the Chairman hereby adjourned this meeting to a future date to be determined by the Court. The meeting was adjourned at 9.42 a.m.

CONFIRMED

DATO' DR ABDULLAH BIN SEPIEN
CHAIRMAN

